

COMMUNITY CAREERS & SUPPORT SERVICES
FINANCIAL STATEMENTS
JUNE 30, 2005

C O N T E N T S

	Page
INDEPENDENT AUDITOR'S REPORT	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES - SUMMARY	5
STATEMENT OF ACTIVITIES - UNRESTRICTED DETAIL	6
STATEMENT OF FUNCTIONAL EXPENSES	8
STATEMENT OF CASH FLOWS	10
NOTES TO FINANCIAL STATEMENTS	11
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	19
AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE	21

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Careers & Support Services
166 North Main
Richfield, Utah 84701

We have audited the accompanying statement of financial position of Community Careers & Support Services (a nonprofit organization) as of June 30, 2005, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Community Careers & Support Services' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Community Careers & Support Services at June 30, 2005, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2006, on our consideration of Community Careers & Support Services' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



KIMBALL & ROBERTS, P. C.
Certified Public Accountants

February 12, 2006
Richfield, Utah

**COMMUNITY CAREERS & SUPPORT SERVICES
STATEMENT OF FINANCIAL POSITION**

June 30, 2005

ASSETS

Current Assets:

Cash	10,547
Accounts Receivable	<u>35,135</u>
Total Current Assets	<u>45,682</u>

Noncurrent Assets:

Capital Assets (Net of Depreciation):

Building and Improvements	183,307
Vehicles	5,678
Office Furniture and Equipment	<u>1,989</u>

Total Noncurrent Assets	<u>190,974</u>
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TOTAL ASSETS	<u>236,656</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	6,160
Accrued Wages Payable	10,218
Vacation Accrual	17,054
Other Accrued Expenses	4,643
Line of Credit - Due Within One Year	7,513
Notes Payable - Due Within One Year	2,600
Mortgages Payable - Due Within One Year	<u>6,466</u>

Total Current Liabilities	<u>54,654</u>
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Long-Term Liabilities:

Notes Payable - Due in More Than One Year	2,382
Mortgages Payable - Due in More Than One Year	<u>121,021</u>

Total Long-Term Liabilities	<u>123,403</u>
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Total Liabilities	<u>178,057</u>
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Net Assets:

Restricted	52,683
Unrestricted	<u>5,916</u>

Total Net Assets	<u>58,599</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>236,656</u>
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The notes to the financial statements are an integral part of this statement.

**COMMUNITY CAREERS & SUPPORT SERVICES
STATEMENT OF ACTIVITIES - SUMMARY**

For The Fiscal Year Ended June 30, 2005

	<u>Operations</u>	<u>Depreciation</u>	<u>Totals Memorandum Only</u>
Support:			
Contracts and Fees	440,884	-	440,884
Interest Earnings and Other	<u>31</u>	<u>-</u>	<u>31</u>
Total Support	<u>440,915</u>	<u>-</u>	<u>440,915</u>
Expenses:			
Program Services:			
Respite	28,707	330	29,037
Rehabilitation	-	66	66
Supported Employment	89,367	1,718	91,085
Job Training	19,277	132	19,409
Work Crew	13,177	198	13,375
Family Support - SL Natural	66,880	1,255	68,135
Supported Living	85,853	1,652	87,505
Rental	6,600	3,595	10,195
Day Training	<u>42,576</u>	<u>925</u>	<u>43,501</u>
Total Program Services Expenses	<u>352,437</u>	<u>9,871</u>	<u>362,308</u>
Support Services:			
General and Administrative	<u>103,778</u>	<u>-</u>	<u>103,778</u>
Total Expenses - Unrestricted	<u>456,215</u>	<u>9,871</u>	<u>466,086</u>
Changes in Net Assets - Unrestricted	<u>(15,300)</u>	<u>(9,871)</u>	(25,171)
Prior Period Adjustment (Payroll Advances)			(5,759)
Net Assets - Beginning of Year			<u>89,529</u>
Net Assets - End of Year			<u><u>58,599</u></u>

The notes to the financial statements are an integral part of this statement.

**COMMUNITY CAREERS & SUPPORT SERVICES
STATEMENT OF ACTIVITIES - UNRESTRICTED DETAIL**

For The Fiscal Year Ended June 30, 2005

	Respite 1	Rehab 2	Supported Employment 3	Job Training 5	Work Crew 6	Family Support 19	Supported Living 12	Rental 16	Day Training 18	Totals Memo Only
Support and Revenues:										
Support:										
Contracts and Fees	18,834	3,838	119,464	16,790	10,000	84,400	111,848	11,596	64,114	440,884
Total Support	18,834	3,838	119,464	16,790	10,000	84,400	111,848	11,596	64,114	440,884
Revenues:										
Interest Earnings and Other	-	-	31	-	-	-	-	-	-	31
Total Revenues	-	-	31	-	-	-	-	-	-	31
Total Support and Revenues	18,834	3,838	119,495	16,790	10,000	84,400	111,848	11,596	64,114	440,915
Expenses:										
01 Salaries and Wages	15,415	-	15,847	15,255	-	15,414	15,414	-	14,929	92,274
Administrative Salaries										
Program Coordinators/House										
Managers/Production/Front										
Line Supervisors	2,171	-	23,705	3,118	4,835	7,780	11,559	-	4,261	57,429
Instructors/Direct Care/Specialist/ Living Skills	-	-	-	-	-	-	18,352	-	13,418	31,770
Job Coach/Drivers	8,344	-	29,131	1,995	10,942	26,845	17,580	313	-	95,150
Total Salaries and Wages	25,930	-	68,683	20,368	15,777	50,039	62,905	313	32,608	276,623
02 Fringe Benefits										
Payroll Taxes/WC/Unemployment	2,526	-	6,818	1,727	1,237	5,330	6,963	400	3,678	28,679
Health Insurance/Dental/Life/Disability	1,625	-	4,674	-	62	4,634	5,560	-	2,513	19,068
Pension/Retirement	-	-	8,968	503	-	3,636	5,337	-	1,570	20,014
Total Fringe Benefits	4,151	-	20,460	2,230	1,299	13,600	17,860	400	7,761	67,761
03 Professional Fees										
Accounting/Audit/Legal Fees	50	-	(159)	(86)	(101)	428	148	(59)	134	355
Total Professional Fees	50	-	(159)	(86)	(101)	428	148	(59)	134	355
04 Supplies										
Office Supplies	388	-	2,552	125	-	2,534	3,039	2,426	1,653	12,717
Total Supplies	388	-	2,552	125	-	2,534	3,039	2,426	1,653	12,717

**COMMUNITY CAREERS & SUPPORT SERVICES
STATEMENT OF ACTIVITIES - UNRESTRICTED DETAIL (CONTINUED)**

For The Fiscal Year Ended June 30, 2005

	Respite 1	Rehab 2	Supported Employment 3	Job Training 5	Work Crew 6	Family Support 19	Supported Living 12	Rental 16	Day Training 18	Totals Memo Only
05 Occupancy										
Utilities	893	-	3,505	313	-	3,088	3,600	9,485	1,772	22,656
Facility Repairs/Maintenance/Insurance	2,330	-	8,325	509	-	7,209	10,192	594	4,625	33,784
Total Occupancy	3,223	-	11,830	822	-	10,297	13,792	10,079	6,397	56,440
06 Equipment/Furniture										
Depreciation/Rentals/Repair and Maintenance	335	66	1,805	269	198	1,276	1,907	331	936	7,123
Total Equipment/Furniture	335	66	1,805	269	198	1,276	1,907	331	936	7,123
07 Travel/Transportation										
Mileage Reimbursement	107	-	820	41	-	266	584	-	520	2,338
Vehicle Lease/Depreciation/Repairs/Maintenance/Gas/Insurance	1,265	-	4,944	451	-	4,414	5,430	-	2,816	19,320
Total Travel/Transportation	1,372	-	5,764	492	-	4,680	6,014	-	3,336	21,658
08 Conference and Training										
Conference Fees/Travel/Lodging/Meals/Per Diem/Education/Training	26	-	1,089	63	-	110	197	-	138	1,623
Total Conference and Training	26	-	1,089	63	-	110	197	-	138	1,623
09 Communications										
Telephone/Beepers/Mobile	692	-	2,342	253	-	2,283	2,714	-	1,308	9,592
Total Communications	692	-	2,342	253	-	2,283	2,714	-	1,308	9,592
10 Miscellaneous										
Printing Expense	98	-	314	42	-	292	332	-	157	1,235
Total Miscellaneous	98	-	314	42	-	292	332	-	157	1,235
11 Other										
Other Expenses	1,089	-	2,366	390	33	2,048	3,533	25	1,475	10,959
Total Other	1,089	-	2,366	390	33	2,048	3,533	25	1,475	10,959
Total Expenses	37,354	66	117,046	24,968	17,206	87,587	112,441	13,515	55,903	466,086
Changes in Net Assets - Unrestricted	(18,520)	3,772	2,449	(8,178)	(7,206)	(3,187)	(593)	(1,919)	8,211	(25,171)

The notes to the financial statements are an integral part of this statement.

**COMMUNITY CAREERS & SUPPORT SERVICES
STATEMENT OF FUNCTIONAL EXPENSES**

For The Fiscal Year Ended June 30, 2005

Expenses:	Respite 1	Rehab 2	Supported Employment 3	Job Training 5	Work Crew 6	Family Support 9	Supported Living 12	Rental 16	Day Training 18	Operating Operating Totals	General and Admin.	Totals Memo Only
01 Salaries and Wages												
Administrative Salaries	15,415	-	15,847	15,255	-	15,414	15,414	-	14,929	32,296	59,978	
Program Coordinators/House Managers/Production/Front Line/ Supervisors	2,171	-	23,705	3,118	4,835	7,780	11,559	-	4,261	57,429	-	
Instructors/Direct Care/Specialist/ Living Skills	-	-	-	-	-	-	18,352	-	13,418	31,770	-	
Job Coach/Drivers	8,344	-	29,131	1,995	10,942	26,845	17,580	313	-	95,150	-	
Total Salaries and Wages	25,930	-	68,683	20,368	15,777	50,039	62,905	313	32,608	216,645	59,978	276,623
02 Fringe Benefits												
Payroll Taxes/WC/Unemployment	2,526	-	6,818	1,727	1,237	5,330	6,963	400	3,678	22,461	6,218	
Health Ins./Dental/Life/Disability	1,625	-	4,674	-	62	4,634	5,560	-	2,513	14,934	4,134	
Pension Retirement	-	-	8,968	503	-	3,636	5,337	-	1,570	15,675	4,339	
Total Fringe Benefits	4,151	-	20,460	2,230	1,299	13,600	17,860	400	7,761	53,070	14,691	67,761
03 Professional Fees												
Accounting/Audit/Legal Fees	50	-	(159)	(86)	(101)	428	148	(59)	134	-	355	
Total Professional Fees	50	-	(159)	(86)	(101)	428	148	(59)	134	-	355	355
04 Supplies												
Office Supplies	388	-	2,552	125	-	2,534	3,039	2,426	1,653	12,717	-	
Total Supplies	388	-	2,552	125	-	2,534	3,039	2,426	1,653	12,717	-	12,717
05 Occupancy												
Program Rent/Depreciation/ Interest/Utilities	893	-	3,505	313	-	3,088	3,600	9,485	1,772	17,743	4,912	
Facility Repairs/Maintenance/ Insurance	2,330	-	8,325	509	-	7,209	10,192	594	4,625	26,460	7,325	
Total Occupancy	3,223	-	11,830	822	-	10,297	13,792	10,079	6,397	44,203	12,237	56,440

**COMMUNITY CAREERS & SUPPORT SERVICES
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**

For The Fiscal Year Ended June 30, 2005

	Respite 1	Rehab 2	Supported Employment 3	Job Training 5	Work Crew 6	Family Support 9	Supported Living 12	Rental 16	Mental Health 30	Operating Totals	General and Admin.	Totals Memo Only
06 Equipment/Furniture												
Depreciation/Rentals/Repair and Maintenance	335	66	1,805	269	198	1,276	1,907	331	936	5,579	1,544	
Total Equipment/Furniture	335	66	1,805	269	198	1,276	1,907	331	936	5,579	1,544	7,123
07 Travel/Transportation												
Mileage Reimbursement	107	-	820	41	-	266	584	-	520	2,338	-	
Vehicle Lease/Depreciation/ Repairs/Maintenance/Gas/ Insurance	1,265	-	4,944	451	-	4,414	5,430	-	2,816	17,388	1,932	
Total Travel/Transportation	1,372	-	5,764	492	-	4,680	6,014	-	3,336	19,726	1,932	21,658
08 Conference and Training												
Conference Fees/Travel/Lodging/ Meals/Per Diem/Education/ Training	26	-	1,089	63	-	110	197	-	138	1,623	-	
Total Conference and Training	26	-	1,089	63	-	110	197	-	138	1,623	-	1,623
09 Communications												
Telephone/Beepers/Mobile	692	-	2,342	253	-	2,283	2,714	-	1,308	7,512	2,080	
Total Communications	692	-	2,342	253	-	2,283	2,714	-	1,308	7,512	2,080	9,592
10 Miscellaneous												
Printing Expense	98	-	314	42	-	292	332	-	157	1,235	-	
Total Miscellaneous	98	-	314	42	-	292	332	-	157	1,235	-	1,235
11 Other												
Other Expenses	1,089	-	2,336	390	33	2,048	3,533	25	1,475	-	10,959	
Total Other	1,089	-	2,336	390	33	2,048	3,533	25	1,475	-	10,959	10,959
Total Expenses	37,354	66	117,016	24,968	17,206	87,587	112,441	13,515	55,903	362,310	103,776	466,086

The notes to the financial statements are an integral part of this statement.

**COMMUNITY CAREERS & SUPPORT SERVICES
STATEMENT OF CASH FLOWS**

For The Fiscal Year Ended June 30, 2005

Cash Flows From Operating Activities:

Change in Net Assets	(25,171)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation	9,871
Prior Period Adjustment	(5,759)
Increase (Decrease) in Operating Assets:	
Accounts Receivable	1,201
Accounts Payable	1,523
Accrued Liabilities	<u>2,800</u>

Net Cash Provided By Operating Activities (15,535)

Cash Flows From Investing Activities:

Purchase of Fixed Assets	<u>(850)</u>
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Net Cash Used in Investing Activities (850)

Cash Flows From Financing Activities:

Principal Payments on Long-Term Debt	(16,118)
Loan Proceeds	<u>15,513</u>

Net Cash Used For Financing Activities (605)

Increase (Decrease) in Cash and Cash Equivalents (16,990)

Cash and Cash Equivalents - Beginning of Period	<u>27,537</u>
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Cash and Cash Equivalents - End of Period	<u><u>10,547</u></u>
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The notes to the financial statements are an integral part of this statement.

**COMMUNITY CAREERS & SUPPORT SERVICES
NOTES TO FINANCIAL STATEMENTS**

June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

Community Careers, Inc. was organized under the laws of the State of Utah as a non-profit organization in 1988. Community Careers, Inc. (DBA: Community Careers & Support Services) receives the majority of its revenues from state government agencies through "fee for service" contracts. Generally, State agencies refer qualifying individuals needing services to Community Careers & Support Services and authorize a fixed number of units (hours) of service. Community Careers & Support Services provides rehabilitation, supported employment, job based training services, supported living and family support services for qualifying individuals. The Company also employs disabled persons to perform janitorial and maintenance work for local businesses.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Support and Revenue

Community Careers & Support Services receives its grant and contract support primarily from the Utah Department of Human Services. Revenue recognition is based on the accrual basis of accounting (see Note 6 regarding support concentration issue).

Fixed Assets:

Fixed assets are capitalized at cost. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Buildings and Improvements	20 Years
Office Equipment and Computers	5 Years
Vehicles	5 Years

There are no lease purchases but community Careers, Inc. has entered into lease agreements for office space. The Delta, Utah office space lease is a 5 year lease with payments of \$350 per month.

**COMMUNITY CAREERS AND SUPPORT SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited, either directly applied, or on a pro-rata basis determined by management.

Income Tax:

Community Careers & Support Services is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income for the twelve (12) months ended June 30, 2005.

Cash and Cash Equivalents:

For purposes of the statements of cash flows, the Center considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash represents cash deposited in a checking account with Wells Fargo Bank, located in Richfield, Utah. This account has a carrying amount as of June 30, 2005 of \$4,603 with a bank balance of \$13,656. An additional account (WE CARE) is maintained at Zions Bank, located in Richfield, Utah. This account has a carrying balance as of June 30, 2005 of \$5,944 with a bank balance of \$5,944. The combined carrying amount is \$10,547. Both of these accounts are FDIC guaranteed.

Cash and cash equivalents as of June 30, 2005 consist of the following:

	<u>Fair Value</u>
Checking Accounts	<u>10,547</u>

Cash and cash equivalents listed above are classified in the accompanying statement of net assets as follows:

Business-Type Activities - Unrestricted	<u>10,547</u>
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**COMMUNITY CAREERS AND SUPPORT SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that the entity's funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invest in, and for some investments, the amount of time to maturity.

Deposit and Investment Risk:

The entity maintains no investment policy containing any specific provisions intended to limit the exposure to interest rate risk, credit risk and concentration of credit risk other than that imposed by UMMA. Compliance with the provisions of UMMA addressed each of these risks.

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investment of the entity are available immediately.

Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. All of the entity's demand deposits are covered by FDIC insurance.

Custodial credit risk for investment is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Concentration of Credit Risk:

Concentration of credit risk the risk of loss attributed to the magnitude of a government's investments in a single issuer.

**COMMUNITY CAREERS AND SUPPORT SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

NOTE 3 - ACCOUNTS RECEIVABLE - GRANTS AND CONTRACTS

Accounts receivable as of June 30, 2005 was composed of:

Utah Department of Human Services (Supported Employment)	8,181
Utah Department of Human Services (SJBT)	1,158
Utah Department of Human Services (Family Support)	6,487
Utah Department of Human Services (Supported Living)	9,450
Central Utah Mental Health - MH	445
Utah Department of Human Services (Day Training)	5,630
Utah Department of Human Services (Respite)	544
Crew and Care Center	2,800
Team C Central DSPD (Transportation)	246
Refund (Workforce Services) and Miscellaneous	194
	<hr/>
Total	<u><u>35,135</u></u>

NOTE 4 - FIXED ASSETS

The following table summarized the changes in fixed assets during the year ended June 30, 2005:

	Balance <u>June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2005</u>
Buildings and Improvements	229,048	-	-	229,048
Vehicles	71,349	-	-	71,349
Office Furniture and Equipment	<u>48,328</u>	<u>850</u>	<u>-</u>	<u>49,178</u>
	348,725	850	-	349,575
Less Accumulated Depr.	<u>(148,730)</u>	<u>(9,871)</u>	<u>-</u>	<u>(158,601)</u>
Net Fixed Assets	<u><u>199,995</u></u>	<u><u>(9,021)</u></u>	<u><u>-</u></u>	<u><u>190,974</u></u>

**COMMUNITY CAREERS AND SUPPORT SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

NOTE 5 - LONG-TERM DEBT CONTINUED)

The following is a statement of changes in long-term debt:

	<u>Balance June 30, 2004</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2005</u>
State of Utah (1.0% Interest)	20,512	-	917	19,595
Ford Motor (9.9% Interest)	6,959	-	1,977	4,982
Wells Fargo (6.8% Interest)	113,116	-	5,224	107,892
Wells Fargo (12.75% Interest)	-	15,513	8,000	7,513
Total	<u>140,587</u>	<u>15,513</u>	<u>16,118</u>	<u>139,982</u>

Mortgage - State of Utah

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005/2006	870	190	1,060
2006/2007	781	183	964
2007/2008	788	176	964
2008/2009	797	167	964
2009/2010	804	160	964
2011/2015	4,145	675	4,820
2016/2020	4,357	463	4,820
2021/2025	4,580	240	4,820
2026/2030	2,473	21	2,494
	<u>19,595</u>	<u>2,275</u>	<u>21,870</u>

Ford Motor

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005/2006	2,600	244	2,844
2006/2007	2,382	210	2,592
	<u>4,982</u>	<u>454</u>	<u>5,436</u>

**COMMUNITY CAREERS AND SUPPORT SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

NOTE 5 - LONG-TERM DEBT CONTINUED)

Wells Fargo - Building

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005/2006	5,596	7,734	13,330
2006/2007	5,994	6,396	12,390
2007/2008	6,403	6,457	12,860
2008/2009	6,877	5,983	12,860
2009/2010	7,366	5,494	12,860
2011/2015	45,465	18,835	64,300
2016/2020	30,191	1,959	32,150
	<u>107,892</u>	<u>52,858</u>	<u>160,750</u>

Wells Fargo - Line of Credit

2005/2006	<u>7,513</u>	<u>958</u>	<u>8,471</u>
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The following is a summary of total debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005/2006	16,579	9,126	25,705
2006/2007	9,157	6,789	15,946
2007/2008	7,191	6,633	13,824
2008/2009	7,674	6,150	13,824
2009/2010	8,170	5,654	13,824
2011/2015	49,610	19,510	69,120
2016/2020	34,548	2,422	36,970
2021/2025	4,580	240	4,820
2026/2030	2,473	21	2,494
	<u>139,982</u>	<u>56,545</u>	<u>196,527</u>

NOTE 6 - CONCENTRATIONS

Nearly all of the organizations support is provided through contracts obtained with the Utah Department of Human Services. Loss of this support would have a materially adverse effect on the organization's ability to continue operations.

**COMMUNITY CAREERS AND SUPPORT SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Funds have been reserved by Management and the Board of Directors for future vehicle replacement needs, and for debt retirement.

NOTE 8 - CONTINGENCIES

Community Careers & Support Services has a policy concerning sick leave which allows a full-time employee to carry over unused sick days. Eligible employees accrue this benefit based on time of service with maximum accruals of 27 to 36 days depending on service provided. Community Careers & Support Services does not allow payment of unused sick leave while employed, or at an employees separation from the organization. The potential liability to the organization to provide this benefit could be \$14,614. The actual amount of the liability is not determinable at this time.

NOTE 9 - SUMMARY OF CONTRACT PROVISIONS

Some major points of the contract between Community Careers & Support Services and Utah Depart of Human Services are outlined below:

Purpose and Scope of Contract:

The Contractor (Community Careers & Support Services) will provide services for individuals with disabilities who meet the eligibility criteria for the Division of Services for People with Disabilities.

This Contract for Community Supported Living Employment Chore and Homemaker, Companion Services, and Structured Day Program services, serves the purpose of supporting individuals, based on individual need, to obtain, maintain, or advance in competitive employment in integrated work settings. Further, it's purpose is to assist the disabled in becoming and living a more independent life.

Services and supports are consumer driven and are based upon principles that promote full inclusion, integration, empowerment, and fulfillment of individual potential.

Contract Period:

The contract for the audit period of the year ended June 30, 2005 is effective as of July 1, 2004 and terminates on June 30, 2007, unless terminated sooner in accordance with the terms and conditions of the contract. Contracts in excess of one year may be reviewed annually.

Type of Contract:

This contract is "Unit of Service" (Rate-Based) Contract. Payment to the Contractor is based on individual units of service provided by the Contractor, payable at the allowable rate established by the Utah Department of Human Services. The contract is an open-end contract and has no dollar amounts attached.

**COMMUNITY CAREERS & SUPPORT SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

NOTE 10 - PENSION PLAN

Utah Department of Human Services gives the Contractor no express or implied guarantee or representation that it will place any clients or maintain any client placements with the Contractor.

Community Careers & Support Services participates in a SEP plan established through Capital Guardian. Contributions are based upon participating employees' annual salaries at rates between 3% and 7%, determined by Community Careers & Support Services, not to exceed \$2,000 per employee per year. This plan covers all full-time employees and is paid entirely by Community Careers & Support Services. Payments to this plan totaled \$11,427 during the fiscal year ending June 30, 2005.

Community Careers & Support Services is legally obligated to contribute to the retirement systems as long as it has employees meeting service requirements. The full-time employee becomes eligible to participate in the plan after the completion of three years of service.

Kimball & Roberts

Certified Public Accountants

A Professional Corporation

Box 663

Richfield, Utah 84701

Phone 896-6488

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Community Careers & Support Services
166 North Main
Richfield, Utah 84701

We have audited the financial statements of Community Careers & Support Services (a nonprofit organization) as and for the year ended June 30, 2005, and have issued our report thereon dated February 12, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Careers & Support Services' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

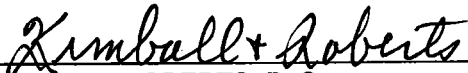
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Careers & Support Services' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that we reported to the management of Community Careers and Support Services in a separate letter dated February 12, 2006.

Board of Directors
Community Careers & Support Services
Page -2-

This report is intended for the information and use of Board of Directors, management, others within the organization and the State of Utah and is not intended to be and should not be used by anyone other than these specified parties.


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

February 12, 2006
Richfield, Utah

Kimball & Roberts

Certified Public Accountants

A Professional Corporation

Box 663

Richfield, Utah 84701

Phone 896-6488

AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE

Board of Directors
Community Careers & Support Services
166 North Main
Richfield, Utah 84701

We have audited the basic financial statements of Community Careers & Support Services, for the fiscal year ended June 30, 2005, and have issued our report thereon dated February 12, 2006. As part of our audit, we have audited Community Careers & Support Services' compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the fiscal year ended June 30, 2005. Community Careers & Support Services received the following major State assistance programs from the State of Utah:

Contract for Services (Department of Human Services)

Our audit also included testwork on the Center's compliance with those general compliance requirements identified in the State of Utah Compliance Audit Guide, including:

Public Debt
Cash Management
Purchasing Requirements
Budgetary Compliance
Property Tax
Other Compliance Requirements

The management of Community Careers & Support Services is responsible for the Association's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Community Careers & Support Services' compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

Board of Directors
Community Careers & Support Services
Page -2-

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in a separate management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Community Careers & Support Services, complied, in all material respects, with the general compliance requirements identified above for the fiscal year ended June 30, 2005.


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

November 21, 2005
Richfield, Utah

COMMUNITY CAREERS & SUPPORT SERVICES

MANAGEMENT LETTER

JUNE 30, 2005

Kimball & Roberts

Certified Public Accountants

A Professional Corporation

Box 663

Richfield, Utah 84701

Phone 896-6488

Board of Directors
Community Careers & Support Services
Richfield, Utah 84701

During our audit of the funds of Community Careers & Support Services for the fiscal year ended June 30, 2005, we noted a certain area needing corrective action in order for the organization to be in compliance with state laws and regulations. This item is discussed below for your consideration.

COMPLIANCE:

Financial Reporting

Finding:

Due to the timing of engaging independent auditors and providing information for the audit the audit report was not delivered to the State when due.

Recommendation:

We recommend that Community Careers & Support Services schedule the audit and have the audit information ready so the audit report can be filed timely with the State.

Response:

We have reviewed the above finding with management and management agrees with the recommendation.

We would like to take this opportunity to thank Community Careers & Support Services' personnel for the cooperation and assistance given to us during the course of our examination.

Respectfully submitted,


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

December 21, 2005
Richfield, Utah